

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.684 An act relating to professions and occupations regulated by the Office of Professional Regulation – House Government Operations Recommendation Of Amendment – Draft 2.1

<https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Ways%20and%20Means/Bills/H.684/H.684~Betsy%20Ann%20Wrask~Draft%20No.%202.1,%202-19-2018~2-23-2018.pdf>

Bill Summary

This bill proposes numerous changes to statutes governing the operations of the Office of Professional Regulation (OPR) under the Vermont Secretary of State. The following summary is limited only to provisions of the bill that could have fiscal impacts to the State government. The bill proposes to convert the governing body for barbers and cosmetologists from a Board profession to an Advisory profession. Some fees for barbers and cosmetologists would decrease under this bill. Two reports would be required from OPR. Some statutory provisions governing pharmacies would be altered and a new position would be created within OPR to work with the Pharmacy Board profession. This is not a comprehensive summary of H.684.

Fiscal Impacts

Sec. 2, 12-13 Barbers and Cosmetologists

This bill proposes to change the regulatory model for barbers and cosmetologists from a Board model to an Advisor model. A Board model consists of a Board of 5-11 individuals appointed by the Governor who govern the profession. The Advisor model is led by the OPR Director who receives advice from two advisors from the profession and chosen by the Secretary of State. The Advisor model is often utilized for smaller or newer professions, but the preferred model most often depends on the number and complexity of disciplinary matters in a profession. The bill would establish new licensing qualifications for each separate profession that would be represented under the new Advisor model.

The existing license fees for the barber/cosmetology profession would be struck from 26 VSA §287. Some of the fees would be added back in 3 VSA §125. Other fees would revert to levels currently set in 3 VSA §125. The fees in 3 VSA §125 serve as a “catch-all” when fees aren’t set for specific professions in 26 VSA. The fee changes would go into effect on January 1, 2019. The net loss of revenue to OPR due to the fee reductions of the bill would be approximately \$29k from the Professional Regulatory Fee special fund staggered over two years, between SFY 2019 and SFY 2020. The revenue loss from this bill would be offset by the reduced cost of regulating the profession. No General Fund impact. See the proposed fee changes in the table on page two.

Sec. 10, 16

These two sections pertain to two studies that would be required of OPR. The first report would require OPR to examine the possible removal of barriers for the licensure of qualified immigrants that move to Vermont from foreign countries. The second report would require OPR to work with the Nursing Board to assess the potential for nursing licensure compacts. OPR budgets for a few potential studies each year and so these provisions would not require additional funding.

Sec. 18

This section of the bill would authorize a new position within OPR titled Pharmacy Executive to assist the Pharmacy Board. Currently this work is performed by a contractor at a cost of \$124,300 annually (\$248,600 over a two-year contract term). The new staff person would cost approximately \$128,705 per year, a net cost increase of approximately \$4,405 annually. OPR will absorb this additional cost in FY19 from its Professional Regulatory Fee special fund. There would be no General Fund impact.

OPR – Barber and Cosmetology Fee Changes (H.684 Sec. 2,12)			
	<i>Current Fee</i>	<i>New Fee</i>	<i>Revenue Change (FY19-20)</i>
Initial License – Barbers, Cosmetologists, Estheticians, and Nail Technicians	\$110	\$100	(\$3,140)
Biennial Renewal – Barbers, Cosmetologists, Estheticians, and Nail Technicians	\$130	No change	n/a
Initial License – Barber Shop/School or Cosmetology Shop/School	\$330	\$300	(\$4,380)
Biennial Renewal – Barber or Cosmetology Shop	\$225	\$200	(\$21,650)
Biennial Renewal – Cosmetology School	\$330	\$300	(\$60)
Total Revenue Gain (Loss)			(\$29,230)